

Tikokino School

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023



School Directory

Ministry Number: 2704
Principal: Hamish Natusch
School Address: 43 Owen Street
School Postal Address: RD3, Waipawa, 4273
School Phone: 06 856 5833
School Email: office@tikokino.school.nz

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Grant Charteris	Presiding Member	Re-elected	May 2025
Hamish Natusch	Principal ex Officio	Appointed	
Sam Bradley	Member	Re-elected	May 2025
Callum Gray	Member	Elected	May 2025
Mickey Trotter	Member	Elected	May 2025
Jayde Voelkerling	Member	Elected	May 2025
Lara Beachen	Member of Staff	Elected	May 2025

Accountant / Service Provider: Eclipse Solutions 4 Schools Ltd

Tikokino School

Annual Financial Statements - For the year ended 31 December 2023

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Tikokino School

Statement of Responsibility

For the year ended 31 December 2023

The Board accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the Principal and others, as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2023 fairly reflects the financial position and operations of the school.

The School's 2023 financial statements are authorised for issue by the Board.

Grant Joseph Charters

Full Name of Presiding Member



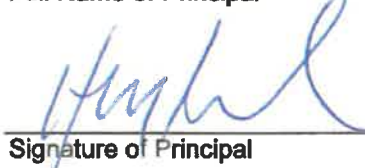
Signature of Presiding Member

31 May 2024

Date:

Hamish Michael Natwick

Full Name of Principal



Signature of Principal

31 May 2024

Date:

Tikokino School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue				
Government Grants	2	672,831	567,941	592,294
Locally Raised Funds	3	79,533	64,935	41,695
Interest		12,549	7,000	5,436
Total Revenue		764,913	639,876	639,425
Expense				
Locally Raised Funds	3	28,087	25,644	23,041
Learning Resources	4	476,000	448,005	430,775
Administration	5	72,956	72,826	67,339
Interest		607	625	461
Property	6	115,642	92,849	104,622
Other Expense	7	15,720	-	-
Loss on Disposal of Property, Plant and Equipment		608	-	-
Total Expense		709,620	639,949	626,238
Net Surplus / (Deficit) for the Year		55,293	(73)	13,187
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		55,293	(73)	13,187

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.

Tikokino School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Equity at 1 January		530,424	530,000	517,237
Total Comprehensive Revenue and Expense for the Year		55,293	(73)	13,187
Contribution - Furniture and Equipment Grant		2,683	-	-
Equity at 31 December		588,400	529,927	530,424
Accumulated Comprehensive Revenue and Expense Reserves		588,400	529,927	530,424
		-	-	-
Equity at 31 December		588,400	529,927	530,424

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.

Tikokino School

Statement of Financial Position

As at 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Assets				
Cash and Cash Equivalents	8	339,326	62,000	352,679
Accounts Receivable	9	34,387	35,000	32,390
GST Receivable		6,224	3,818	7,184
Prepayments		4,759	7,000	4,527
Investments	10	107,702	260,000	102,275
		492,398	367,818	499,055
Current Liabilities				
Accounts Payable	12	42,378	50,000	43,567
Revenue Received in Advance	13	27,196	-	19,258
Provision for Cyclical Maintenance	14	17,097	-	30,753
Finance Lease Liability	15	3,849	4,000	3,372
Funds Held for Capital Works Projects	16	34,252	-	75,078
		124,772	54,000	172,028
Working Capital Surplus/(Deficit)		367,626	313,818	327,027
Non-current Assets				
Property, Plant and Equipment	11	226,535	240,000	216,968
Work in Progress		20,637	-	8,820
		247,172	240,000	225,788
Non-current Liabilities				
Provision for Cyclical Maintenance	14	23,613	21,891	19,242
Finance Lease Liability	15	2,785	2,000	3,149
		26,398	23,891	22,391
Net Assets		588,400	529,927	530,424
Equity		588,400	529,927	530,424

The above Statement of Financial Position should be read in conjunction with the accompanying notes which form part of these financial statements.

Tikokino School

Statement of Cash Flows

For the year ended 31 December 2023

	Note	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash Flows from Operating Activities				
Government Grants		230,608	192,224	187,240
Locally Raised Funds		80,872	64,435	60,763
Goods and Services Tax (net)		959	(1,512)	(5,020)
Payments to Employees		(109,208)	(110,132)	(89,148)
Payments to Suppliers		(154,644)	(122,390)	(107,358)
Interest Paid		(607)	(625)	(461)
Interest Received		12,349	7,000	4,968
Net Cash from/(to) Operating Activities		60,329	29,000	50,984
Cash Flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(28,051)	(48,000)	(21,969)
Purchase of Investments		(5,427)	(159,000)	(2,177)
Net Cash from/(to) Investing Activities		(33,478)	(207,000)	(24,146)
Cash Flows from Financing Activities				
Furniture and Equipment Grant		2,683	-	-
Finance Lease Payments		(2,062)	-	1,056
Funds Administered on Behalf of Other Parties		(40,825)	-	66,186
Net Cash from/(to) Financing Activities		(40,204)	-	67,242
Net Increase/(Decrease) in Cash and Cash Equivalents		(13,353)	(178,000)	94,080
Cash and Cash Equivalents at the Beginning of the Year	8	352,679	240,000	258,599
Cash and Cash Equivalents at the End of the Year	8	339,326	62,000	352,679

The Statement of Cash Flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries, use of land and buildings grant and expense and other notional items have been excluded.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes which form part of these financial statements.

Tikokino School

Notes to the Financial Statements

For the year ended 31 December 2023

1. Statement of Accounting Policies

a) Reporting Entity

Tikokino School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial statements have been prepared for the period 1 January 2023 to 31 December 2023 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Financial Reporting Standards Applied

The Education and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expense threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below.

Critical Accounting Estimates And Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment, as disclosed in the significant accounting policies, are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

Critical Judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 21.

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carry forward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

c) Revenue Recognition

Government Grants

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives:

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly by the Ministry of Education.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

This is a non-cash revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

Other Grants where conditions exist

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

Donations, Gifts and Bequests

Donations, gifts and bequests are recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met, funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

Interest Revenue

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

d) Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

f) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education. Therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

g) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is material.

h) Property, Plant and Equipment

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements (funded by the Board) to buildings owned by the Crown or directly by the board are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value, as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Gains and losses on disposals (i.e. sold or given away) are determined by comparing the proceeds received with the carrying amounts (i.e. the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Depreciation

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Land & Building Improvements	0 - 50 years
Furniture & Equipment	5 - 10 years
Information & Communication Technology	3 - 5 years
Leased Assets Held under a Finance Lease	Term of Lease
Library Resources	12.5% Diminishing value

i) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

j) Employee Entitlements

Short-term employee entitlements

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned, by non teaching staff, but not yet taken at balance date.

k) Revenue Received in Advance

Revenue received in advance relates to fees and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees and grants are recorded as revenue as the obligations are fulfilled and the fees and grants are earned.

l) Funds held for Capital works

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose. As such, these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

m) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The School carries out painting maintenance of the whole school over a 7 to 10 year period. The economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

n) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

The School's financial liabilities comprise accounts payable and finance lease liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

o) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

p) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board.

q) Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

2. Government Grants

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Government Grants - Ministry of Education	223,106	173,266	187,240
Teachers' Salaries Grants	359,138	328,398	329,034
Use of Land and Buildings Grants	90,587	66,277	76,020
	<u>672,831</u>	<u>567,941</u>	<u>592,294</u>

The school has opted in to the donations scheme for this year. Total amount received was \$9,247.

3. Locally Raised Funds

Local funds raised within the School's community are made up of:

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Revenue			
Donations & Bequests	9,901	38,800	17,927
Curriculum Related Activities - Purchase of Goods and Services	522	435	565
Fees for Extra Curricular Activities	2,690	1,800	1,594
Fundraising & Community Grants	39,156	2,720	2,974
Other Revenue	14,980	14,180	8,840
Afcare Revenue	12,284	7,000	9,795
	<u>79,533</u>	<u>64,935</u>	<u>41,695</u>
Expense			
Extra Curricular Activities Costs	3,903	2,000	4,614
Fundraising and Community Grant Costs	46	400	1,024
Other Locally Raised Funds Expenditure	7,003	6,377	4,095
Afcare Costs	17,135	16,867	13,308
	<u>28,087</u>	<u>25,644</u>	<u>23,041</u>
<i>Surplus/ (Deficit) for the Year Locally Raised Funds</i>	<u>51,446</u>	<u>39,291</u>	<u>18,654</u>

4. Learning Resources

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Curricular	27,027	29,900	30,823
Equipment Repairs	895	1,000	729
Information and Communication Technology	790	1,500	636
Library Resources	593	150	219
Employee Benefits - Salaries	421,854	394,155	376,246
Staff Development	4,790	3,300	4,346
Depreciation	20,051	18,000	17,776
	<u>476,000</u>	<u>448,005</u>	<u>430,775</u>

5. Administration

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Audit Fees	5,049	5,049	4,902
Board Fees	4,043	3,645	3,020
Board Expenses	1,791	2,800	1,438
Communication	845	1,050	1,088
Consumables	7,006	6,550	6,686
Other	1,566	1,865	1,590
Employee Benefits - Salaries	46,617	44,375	41,310
Insurance	939	1,500	1,949
Service Providers, Contractors and Consultancy	5,100	5,992	5,356
	72,956	72,826	67,339

6. Property

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Caretaking and Cleaning Consumables	3,038	1,500	1,864
Cyclical Maintenance	2,805	5,752	9,540
Grounds	2,851	3,500	3,491
Heat, Light and Water	12,058	10,500	9,764
Rates	135	120	111
Repairs and Maintenance	4,168	5,200	3,832
Use of Land and Buildings	90,587	66,277	76,020
	115,642	92,849	104,622

The use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Other Expense

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
Transport	15,720	-	-
	15,720	-	-

8. Cash and Cash Equivalents

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Bank Accounts	339,326	62,000	352,679
Cash and Cash Equivalents for Statement of Cash Flows	339,326	62,000	352,679

Of the \$339,326 Cash and Cash Equivalents, \$34,252 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2024 on Crown owned school buildings.

Of the \$339,326 Cash and Cash Equivalents, \$19,206 of unspent grant funding is held by the School. This funding is subject to conditions which specify how the grant is required to be spent. If these conditions are not met, the funds will need to be returned.

9. Accounts Receivable

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Receivables	3,504	4,500	4,407
Interest Receivable	873	500	673
Teacher Salaries Grant Receivable	30,010	30,000	27,310
	<u>34,387</u>	<u>35,000</u>	<u>32,390</u>
Receivables from Exchange Transactions	4,377	5,000	5,080
Receivables from Non-Exchange Transactions	30,010	30,000	27,310
	<u>34,387</u>	<u>35,000</u>	<u>32,390</u>

10. Investments

The School's investment activities are classified as follows:

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	107,702	260,000	102,275
Total Investments	<u>107,702</u>	<u>260,000</u>	<u>102,275</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2023	\$	\$	\$	\$	\$	\$
Land & Building Improvements	178,695	20,098	-	-	(6,450)	192,343
Furniture & Equipment	16,604	3,638	-	-	(3,639)	16,603
Information & Communication Technology	10,046	3,084	-	-	(5,929)	7,201
Leased Assets	5,893	3,566	-	-	(3,393)	6,066
Library Resources	5,730	-	(609)	-	(640)	4,481
Balance at 31 December 2023	<u>216,968</u>	<u>30,386</u>	<u>(609)</u>	<u>-</u>	<u>(20,051)</u>	<u>226,694</u>

The net carrying value of furniture and equipment held under a finance lease is \$6,066 (2022: \$5,893)

Restrictions

With the exception of the contractual restrictions related to the above noted finance leases, there are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2023	2023	2023	2022	2022	2022
	Cost or	Accumulated	Net Book	Cost or	Accumulated	Net Book
	Valuation	Depreciation	Value	Valuation	Depreciation	Value
	\$	\$	\$	\$	\$	\$
Land & Building Improvements	283,804	(91,620)	192,184	263,865	(85,170)	178,695
Furniture & Equipment	149,917	(133,314)	16,603	146,278	(129,674)	16,604
Information & Communication Technology	64,294	(57,093)	7,201	68,944	(58,898)	10,046
Leased Assets	14,034	(7,968)	6,066	11,859	(5,966)	5,893
Library Resources	28,720	(24,239)	4,481	29,638	(23,908)	5,730
Balance at 31 December 2023	540,769	(314,234)	226,535	520,584	(303,616)	216,968

12. Accounts Payable

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	7,775	13,000	10,736
Accruals	3,849	6,000	4,902
Employee Entitlements - Salaries	30,010	30,000	27,310
Employee Entitlements - Leave Accrual	744	1,000	619
	42,378	50,000	43,567
Payables for Exchange Transactions	42,378	50,000	43,567
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	42,378	50,000	43,567

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	7,502	-	-
Other Revenue in Advance	19,694	-	19,258
	27,196	-	19,258

14. Provision for Cyclical Maintenance

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Provision at the Start of the Year	49,995	49,995	41,513
Increase to the Provision During the Year	2,805	5,752	9,540
Use of the Provision During the Year	(12,090)	(33,856)	(1,058)
Provision at the End of the Year	<u>40,710</u>	<u>21,891</u>	<u>49,995</u>
Cyclical Maintenance - Current	17,097	-	30,753
Cyclical Maintenance - Non current	23,613	21,891	19,242
	<u>40,710</u>	<u>21,891</u>	<u>49,995</u>

The schools cyclical maintenance schedule details annual painting to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the schools 10 Year property plan and quotes.

15. Finance Lease Liability

The School has entered into a number of finance lease agreements for computers and other ICT equipment. Minimum lease payments payable:

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
No Later than One Year	3,887	4,000	3,372
Later than One Year and no Later than Five Years	2,785	3,000	3,882
Future Finance Charges	(38)	(1,000)	(733)
	<u>6,634</u>	<u>6,000</u>	<u>6,521</u>
Represented by			
Finance Lease Liability - Current	3,849	4,000	3,372
Finance Lease Liability - Non current	2,785	2,000	3,149
	<u>6,634</u>	<u>6,000</u>	<u>6,521</u>

16. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 8.

2023	Opening Balances	Receipts from MOE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
AMS SIP A QLE & OLE Installation - 224977	42,544	-	(8,292)	-	34,252
E F Asbestos Remediation - 221247	32,534	8,665	(41,199)	-	-
Totals	<u>75,078</u>	<u>8,665</u>	<u>(49,491)</u>	<u>-</u>	<u>34,252</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	34,252
Funds Receivable from the Ministry of Education	-

2022	Opening Balances	Receipts from MOE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
AMS SIP A QLE & OLE Installation - 224977	8,891	33,653	-	-	42,544
E F Asbestos Remediation - 221247	-	56,260	(23,726)	-	32,534
Totals	8,891	89,913	(23,726)	-	75,077

Represented by:

Funds Held on Behalf of the Ministry of Education	75,078
Funds Receivable from the Ministry of Education	-

17. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

18. Remuneration

Key management personnel compensation

Key management personnel of the School include all Board members and Principal.

	2023 Actual \$	2022 Actual \$
<i>Board Members</i>		
Remuneration	4,043	3,020
<i>Leadership Team</i>		
Remuneration	125,890	119,808
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	129,933	122,828

There are 6 members of the Board excluding the Principal. The Board has held 8 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

The total value of remuneration paid or payable to the Principal was in the following bands:

	2023 Actual \$000	2022 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120 - 130	110 - 120
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

Other Employees

The number of other employees with remuneration greater than \$100,000 was in the following bands:

Remuneration \$000	2023 FTE Number	2022 FTE Number
100 - 110	1.00	0.00
	<u>1.00</u>	<u>0.00</u>

The disclosure for 'Other Employees' does not include remuneration of the Principal.

19. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, committee members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2023 Actual	2022 Actual
Total Number of People	\$0.00 -	\$0.00 -

20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2023 (Contingent liabilities and assets at 31 December 2022: \$2,097).

There is a contingent asset for the possible repayment from the Ministry of Education for under spending the School's banking staffing entitlement during 2023. The Ministry has yet to decide how much it will pay to the School. We cannot reliably measure the cash repayment, but the amount we have underspent as at 31 December is approximately \$3,581. We will record the amount we receive as revenue in the 2024 financial year.

Holidays Act Compliance – Schools Payroll

The Ministry of Education performs payroll processing and payments on behalf of boards, through payroll service provider, Education Payroll Limited.

The Ministry continues to review the Schools Sector Payroll to ensure compliance with the Holidays Act 2003. An initial remediation payment has been made to some current school employees. The Ministry is continuing to perform detailed analysis to finalise calculations and the potential impacts of specific individuals, as such, this is expected to resolve the liability for school boards.

In 2023 the Ministry of Education provided additional funding for non-teaching collective and pay equity agreements. The school is yet to receive a final wash-up that adjusts the estimated quarterly instalments for the actual eligible staff members employed in 2023. The Ministry is in the process of determining wash-up payments or receipts for the year ended 31 December 2023. However, as at the reporting date, this amount had not been calculated and therefore is not recorded in these financial statements.

21. Commitments

(a) Capital Commitments

At 31 December 2023, the Board had capital commitments of \$43,578 (2022: \$93,855) as a result of entering the following contracts:

Contract Name	Contract Amount	Spend To Date	Remaining Capital Commitment
	\$	\$	\$
224977 AMS SIP A QLE & OLE Installation	55,014	11,436	43,578
Total	55,014	11,436	43,578

(b) Operating Commitments

As at 31 December 2023, the Board has not entered into any operating commitments.

(Operating commitments at 31 December 2022: \$nil)

22. Financial Instruments

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

Financial Assets Measured at Amortised Cost

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Cash and Cash Equivalents	339,326	62,000	352,679
Receivables	34,387	35,000	32,390
Investments - Term Deposits	107,702	260,000	102,275
Total Financial Assets Measured at Amortised Cost	<u>481,415</u>	<u>357,000</u>	<u>487,344</u>

Financial Liabilities Measured at Amortised Cost

Payables	42,378	50,000	43,567
Finance Leases	6,634	6,000	6,521
Total Financial Liabilities Measured at Amortised Cost	<u>49,012</u>	<u>56,000</u>	<u>50,088</u>

23. Events After Balance Date

There were no significant events after the balance date that impact these financial statements.

24. Comparatives

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.

25. Breach of Legislation

The Board is in breach of Section 9(2) of Schedule 23 of the Education and Training Act 2020, in that it had more than one permanently appointed staff member on the Board.

Tikokino School

Kiwisport Report

For the year ended 31 December 2023

During the year the Board was the recipient of additional Government funding for specific purposes:

Kiwisport is a Government funded initiative to support students' participation in organised sport. In 2023 the school received total Kiwisport funding of \$1,055 (excluding GST). The funding was put towards a range of sports equipment to resource the school to support and initiate student participation in a variety of sports.

The number of students participating in organised sport continues to be at excellent levels.

Personnel Policy Compliance (s73 and s74 Public Service Act 2020)

For the year ended 31 December 2023

The Tikokino School Board:

- 1 Has developed and implemented personnel and industrial policies, within policy and procedural frameworks set by the Government from time to time, which promote high levels of staff performance, use educational resources effectively and recognise the needs of students;
- 2 Has reviewed its compliance against both its personnel policy and procedures and Education Review Office Board assurance Statement Personnel (Section 4) and can report that it meets all requirements and identified best practice;
- 3 Is a good employer as defined by the Public Service Act 2020 and complies with the conditions contained in the employment contracts applying to teaching and non-teaching staff;
- 4 Ensures all employees and applicants for employment are treated according to their skills, qualifications, abilities and aptitudes, without bias or discrimination;
- 5 Meets all EEO requirements.



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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF TIKOKINO SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Auditor-General is the auditor of Tikokino School (the School). The Auditor-General has appointed me, Glenn Fan-Robertson, using the staff and resources of BDO Hawke's Bay, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 17, that comprise the Statement of Financial Position as at 31 December 2023, the Statement of Comprehensive Revenue and Expense, Statement of Changes in Net Assets/Equity and Statement of Cash Flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2023; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as tier 2.

Our audit was completed on 31 May 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

DIRECTORS: Glenn Fan-Robertson Heather Hallam Lisa Townshend
CONSULTANT: David Pearson

BDO New Zealand Ltd, a New Zealand limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.

In preparing the financial statements, the Board is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the Statement of Responsibility, Members of the Board, Kiwisport Report, Personnel Policy Compliance (s73 and s74 Public Service Act 2020), Statement of Variance, Evaluation of Schools Students Progress and Achievements, and Giving Effect Te Tiriti O Waitangi but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



Glenn Fan-Robertson
BDO Hawke's Bay
On behalf of the Auditor-General
Hawke's Bay, New Zealand

